

MICHAEL R. TURNER

TENTH DISTRICT, OHIO

COMMITTEE ON ARMED SERVICES
RANKING MEMBER
SUBCOMMITTEE ON STRATEGIC FORCES

PERMANENT SELECT COMMITTEE
ON INTELLIGENCE

ASSISTANT MINORITY WHIP



Congress of the United States
House of Representatives
Washington, DC 20515

2082 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, DC 20515
(202) 225-6465

DISTRICT OFFICE:

120 WEST 3RD STREET
SUITE 305
DAYTON, OH 45402
(937) 225-2843

June 27, 2019

Nan Whaley
Mayor of Dayton
103 W 3rd Street
Dayton, OH 45402

Dear Mayor Whaley:

Having previously contacted you in October 2017 to relay my concerns with the City of Dayton's ("City") mismanagement of U.S. Department of Housing and Urban Development ("HUD") funds, I have become even more alarmed after reviewing HUD's June 6, 2019 letter to the City, which details the City's misuse and mismanagement of the HOME Investment Partnerships Program (HOME). The scale and scope of this mismanagement has put the City in jeopardy of not receiving future funds for the HOME program and may require the City to repay over \$3.2 million in past HOME funds. In addition, I have reviewed the forensic audit of the City's HOME program for the last 20 years. It is abundantly clear that the problem, which began in December 2002, has escalated over the past decade and a half, culminating in the current state of affairs.

I first raised these issues with you in October 2017. At the time, I was concerned that the City's mismanagement and inability to address the problem would result in the loss of future HOME funds. I requested you provide a detailed plan on what steps you would take to address the mismanagement. You did not respond to my request.

Subsequently, I learned just last year, HUD sent a letter informing the City that HUD had rejected the Dayton/Kettering Consortium's FY2018 HOME program Certification and disapproved the HOME portion of the Dayton/Kettering Consortium's FY2018 Action Plan. Seventeen months later, and after I had sent three letters to your office about this issue, you responded requesting my assistance to urge HUD to release the HOME funds to the City of Dayton.

The total amount subject to repayment is at least \$3,233,353.66 with the possibility of additional funds subject to repayment currently still under review by HUD. The City's mismanagement has put at risk nearly \$170 for every household in Dayton living below the poverty line, or an estimated \$70 for every man, woman, and child. According to the City's budget available online¹, the City is not currently operating on a balanced budget. Assuming the City is unable to provide all the necessary documents to HUD, as the City's own forensic audit suggests, our

¹ <https://daytonoh.opengov.com>

community could see a reduction in funds available to our police, fire, and other essential services. This is a travesty for families within the City.

The most concerning elements of the letter are: "The City has failed to manage its HOME Program funds in a manner that meets basic grant administration and financial management practices, and thus does not ensure that taxpayer funds are invested in completed projects that provide affordable housing to low-income residents..."² HUD's findings evidence a pattern of inadequate written agreements; failure to comply with multiple program-specific statutory and regulatory requirements; failure to document compliance with program requirements; inadequate systems to ensure financial and program management standards are met; and inadequate or inaccurate reporting."³

When HUD suggested the City conduct a forensic audit of the City's HOME program, the ensuing analysis was determined by HUD to be "meaningless"⁴ and failed to address HUD's concerns. Yet, forensic auditors hired by the City itself did confirm HUD's findings that the City **does not have records to support** the extensive voucher revisions in HUD's Integrated Disbursement and Information System.⁵ Moreover, as you are aware, the Federal Bureau of Investigation (FBI) has undertaken an investigation concerning the misuse of both City and federal funds, which includes an FBI review of the Dayton/Kettering Consortium, also under investigation by HUD.

Obviously, during the ongoing FBI and HUD investigations, I am unable to assist you.

I urge you to work diligently to respond within the 30-day window HUD has provided and take corrective action to address the numerous deficiencies HUD has identified.

Sincerely,



Michael R. Turner
Member of Congress

² U.S. Department of Housing and Urban Development Letter to City of Dayton, June 6, 2019 – p. 1

³ U.S. Department of Housing and Urban Development Letter to City of Dayton, June 6, 2019 – p. 1

⁴ U.S. Department of Housing and Urban Development Letter to City of Dayton, June 6, 2019 – p. 4

⁵ U.S. Department of Housing and Urban Development Letter to City of Dayton, June 6, 2019 – p. 4